



Congressional Record

PROCEEDINGS AND DEBATES OF THE *109th* CONGRESS, FIRST SESSION

FRIDAY, OCTOBER 7, 2005

Senate

COMMUNITY DISASTER LOAN ACT OF 2005

Mr. CARPER. Mr. President, folks who might be watching this debate across the country may be wondering what this is all about. Let me try to simplify it as best I can.

Over the last month or so, the Congress has appropriated some \$61 billion to be used to assist in the reconstruction, the aid, and the housing of a lot of people whose lives have been disrupted and in some cases destroyed. There are a number of cities, towns, and jurisdictions within that region where their revenue base--the ability to raise taxes and to provide essential services--is gone. Of that \$61 billion, FEMA is not authorized to extend or lend that money to those cities or towns or jurisdictions without our authorization.

The legislation that is before us today would authorize the movement of about \$750 million from FEMA to be able to lend that money to some of these cities, towns, parishes, and jurisdictions so that hospitals can be helped and police, fire services, and other services can be extended even though the revenue base has dried up under all of this water.

Historically, when FEMA has been given the authority to extend this money, to lend money to other communities, other cities, other States, the loans have in some cases been forgiven. It did not require an act of Congress to do that. It did not require any particular action by OMB or certification by OMB to do that. It occurred under the law. The loans were forgiven.

Senator *Levin* mentioned earlier that a number of jurisdictions, a number of local government borrowers borrowed money extended through FEMA to help these communities in their most tough times, in Idaho, in West Virginia, Pennsylvania, Alabama, Arizona, and others. They did not have to come and ask for an act of Congress to get that forgiveness. They didn't have to go to OMB and say please forgive this loan. The loans were forgiven.

Senator *Clinton* spoke a bit earlier as well and talked about the generous assistance that the taxpayers of this country provided to New York City on the heels of 9/11. Mr. President, \$20 billion was the amount of money, almost a direct infusion. I thought it was loan. For all these years I thought it was a loan

that was forgiven. I was wrong. It was a grant--just a gift to the people of New York as they struggled to recover from their tragedy.

The tragedy that has fallen on the folks along the gulf coast is every bit as bad for a lot of them as what happened in New York on 9/11. Yet we are not prepared to provide a grant to those communities, those cities, so they can provide essential services. Frankly, none of us are calling for doing that.

FEMA has all this money we provided them. Absent some legislation today, they are not able to extend any of that money to help these communities and cities. The legislation is designed to say we are going to allow FEMA to extend those loans.

But unlike the way we treated New York, which got a grant, not a loan, and unlike the loans that were extended to all the communities listed on this sheet of paper whose loans were forgiven and did not even require our action or OMB's forgiveness, we say with respect to the folks on the gulf coast: We are not going to forgive your loan.

Senator *Levin*--and I spent a good deal of time last night trying to put together a compromise. I appreciate very much the cooperation of Senator *Landrieu* to help find that compromise and Senator *Vitter* and certainly Senator *Frist*. Senator *Levin* and I, at the midnight hour last night, were down in the House and found Congressman *Lewis*, the chairman of the Appropriations Committee, and said to him: What if we provide a change in language in this bill so, in order to forgive a loan that FEMA would make under the authorization of this bill, it

would require an act of Congress? The Senate and House and President would have to concur in that forgiveness.

He said he thought that was a reasonable idea and thought even the House might go along with that.

I am disappointed to hear this morning that is not going to happen. Senator *Frist*, last night in conversation after midnight with Senator *Levin* and me, said he thought that was a reasonable idea. He couldn't commit himself to make it happen, but he thought that was a reasonable approach, and, frankly, I do, too. For the life of me, I do not see why that is not acceptable.

If we were to include language--and we are not going to get the chance to do this because Senator *Levin's* amendment is not going to be made in order, but if we were to include language that said an act of Congress was required in order to forgive loans made by FEMA to these jurisdictions in their hour of need, that is a very high standard. It is a standard we never set for these communities. It is a standard we never set for New York.

The greatest irony to me is, going back, we didn't require an act of Congress or intervention of OMB to enable the forgiveness of these loans. Going forward, as I read the legislation--going forward, if you are from Delaware or from Michigan or if you are from Georgia and your communities seek a loan from FEMA in a similar situation, an emergency, moneys that have been authorized and appropriated, you don't have to get an act of Congress to have that loan forgiven. You don't have to get any special approval from OMB so the loan can be forgiven. It can be forgiven.

Yet in this case, with respect to the Gulf Coast States, we do not allow that to happen. Going back in time and going forward in time it looks to me as if we protect the rest of us. We allow for the loans to be forgiven for the other 49 States or 48 States. But not in this case. That does not make sense. That does not make sense.

As we move to pass the legislation, I echo what some of my other colleagues have said. We can do better. When we have an opportunity to return, in a week or so, my earnest hope is that we will do better.

In closing, I say to my friend and colleague, Senator *Landrieu*, it has been an honor to stand by her side in this struggle. The people of Louisiana are fortunate to have Senators with that kind of passion and care for them. I hope, as we go forward working with Senator *Vitter*, we can get to an outcome that is fair to the people you represent.

I yield the floor.